

improvement projects presented by and for Nashville Prep.

Section 4. This resolution shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

Analysis

This ordinance approves a lease agreement between the Metropolitan Board of Education ("MNPS") and Nashville Prep for use of property at 1300 56th Avenue North as a charter school. The property includes approximately 42,211 square feet of the building.

The term of the lease begins July 1, 2023 and ends June 30, 2031. Upon termination of the lease, the property will revert to MNPS. For the first year, the lease payment will be \$18,643.19 per month, which represents a rate of \$5.30 per square foot. The lease includes the cost of grounds maintenance, preventative maintenance, and refuse removal provided by MNPS's contracted providers, as well as major building systems components and capital repairs. The lease payment will increase by 3% each year throughout the term of the lease. The monthly rental payments for Year 2 through Year 8 will be as follows:

- Year 2 -- \$19,206.01 per month
- Year 3 -- \$19,768.82 per month
- Year 4 -- \$20,366.81 per month
- Year 5 -- \$20,999.97 per month
- Year 6 -- \$21,597.96 per month
- Year 7 -- \$22,266.30 per month
- Year 8 -- \$22,934.64 per month

MNPS is responsible for the major building system components and their capital repairs. This includes the building's roof, foundation, structural members of exterior walls, HVAC system components, and more. MNPS is also responsible for the refuse collection and ground maintenance, the cost of which is included in the lease payment. Nashville Prep is responsible for custodial services, utilities, routine maintenance of the premises, ADA compliance, and building, fire, and zoning codes and regulations. Nashville Prep must maintain commercial general liability insurance of not less than \$1,000,000 per occurrence.

Fiscal Note: The basic lease per square foot price is \$5.30/square foot or \$18,643.19 per month for the approximate square footage of 42,211 during Year 1. The basic lease per square foot includes the cost of grounds maintenance preventive maintenance, refuse removal, major building systems components and capital repairs. The lease rate will increase by 3% each year beginning in Year 2 and throughout the term of the lease.